

AMENDMENT TO RULES COMM. PRINT 118–10**OFFERED BY MR. MORAN OF TEXAS**

At the end of subtitle C of title XVIII, add the following:

1 **SEC. __. APPLICATION OF FOREIGN-DIRECT PRODUCT**
2 **RULES TO IRAN.**

3 (a) IN GENERAL.—Beginning on the date that is 120
4 days after the date of the enactment of this Act, a foreign-
5 produced item shall be subject to the Export Administra-
6 tion Regulations (pursuant to the Export Control Reform
7 Act of 2018 (50 U.S.C. 4801 et seq.)) if the item—

8 (1) meets—

9 (A) the product scope requirements de-
10 scribed in subsection (b); and

11 (B) the destination scope requirements de-
12 scribed in subsection (c); and

13 (2) is exported, reexported, or in-country trans-
14 ferred to Iran or involves persons affiliated with the
15 Government of Iran.

16 (b) PRODUCT SCOPE REQUIREMENTS.—A foreign-
17 produced item meets the product scope requirements of
18 this subsection if the item—

1 (1) is a direct product of United States-origin
2 technology or software subject to the Export Admin-
3 istration Regulations that is specified in a covered
4 Export Control Classification Number; or

5 (2) is produced by any plant or major compo-
6 nent of a plant that is located outside the United
7 States, if the plant or major component of a plant,
8 whether made in the United States or a foreign
9 country, itself is a direct product of United States-
10 origin technology or software subject to the Export
11 Administration Regulations that is specified in a
12 covered Export Control Classification Number.

13 (c) DESTINATION SCOPE REQUIREMENTS.—A for-
14 eign-produced item meets the destination scope require-
15 ments of this subsection if there is knowledge that the for-
16 eign-produced item is destined to Iran or will be incor-
17 porated into or used in the production or development of
18 any part, component, or equipment subject to the Export
19 Administration Regulations and produced in or destined
20 to Iran.

21 (d) LICENSE REQUIREMENTS.—

22 (1) IN GENERAL.—A license shall be required
23 to export, reexport, or in-country transfer a foreign-
24 produced item that meets the product scope require-
25 ments described in subsection (b) and the destina-

1 tion scope requirements described in subsection (c)
2 and is subject to the Export Administration Regula-
3 tions pursuant to this section.

4 (2) EXCEPTIONS.—The license requirements of
5 paragraph (1) shall not apply to—

6 (A) food or medicine that is—

7 (i) designated as EAR99; or

8 (ii) not designated under or listed on
9 the Commerce Control List; or

10 (B) services, software, or hardware (other
11 than services, software, or hardware for end-
12 users owned or controlled by the Government of
13 Iran) that is—

14 (i) incident to communications;

15 (ii) designated as—

16 (I) EAR99; or

17 (II) Export Control Classification

18 Number 5A992.c or 5D992.c, and

19 classified in accordance with section

20 740.17 of title 15 Code of Federal

21 Regulations; and

22 (iii) subject to a general license issued

23 by the Department of Commerce.

24 (e) DEFINITIONS.—In this section—

1 (1) the term “Commerce Control List” means
2 the list maintained pursuant to part 744 of the Ex-
3 port Administration Regulations;

4 (2) the term “covered Export Control Classi-
5 fication Number” means an Export Control Classi-
6 fication Number in product groups D or E of Cat-
7 egories 3, 4, 5, 6, 7, 8, or 9 of the Commerce Con-
8 trol List;

9 (3) the terms “Export Administration Regula-
10 tions”, “export”, “reexport”, and “in-country trans-
11 fer” have the meanings given those terms in section
12 1742 of the Export Control Reform Act of 2018 (50
13 U.S.C. 4801); and

14 (4) the terms “direct product”, “technology”,
15 “software”, “major component”, “knowledge”, “pro-
16 duction”, “development”, “part”, “component”,
17 “equipment”, and “government end users” have the
18 meanings given those terms in section 734.9 or part
19 772 of the Export Administration Regulations, as
20 the case may be.

